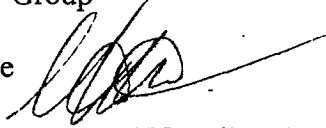


Memorandum

Date: May 17, 1999
To: CALFED Policy Group
From: Steven R. Ritchie 
Subject: Outcomes from May 13, 1999 Policy Group meeting

The following is a summary of outcomes or actions from the May 13th Policy Group meeting.

Discussion of the Preferred Alternative Description

Policy Group members made some specific word change suggestions.

Page 2 of the May 13 draft: Remove the word "relaxation" and replace with "adjustment of implementation of the standard"(Perciasepe) or something similar. Mike Spear noted that he did not have a problem with the word "relaxation" in this context.

Page 2: Strike the phrase beginning "from water purchases..."

Assistant Interior Secretary Beneke and Resources Secretary Nichols expressed a desire to see more specific quantification of goals for the Water Use Efficiency Program in the description.

Mike Spear concluded by stating that he could not sign off on this description without signing off on the revised Phase II Report.

Patty Beneke raised a question about how bundles and linkages are described and emphasized in the EIS/R.

Tom Hagler responded by stating that these should be described at the programmatic level in the Phase II Report.

CALFED Agencies

California
The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal
Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

Steve Ritchie pointed out that linkage development will really happen from draft to final to ROD.

Page 7: Kirk Rodgers requested deletion of the word "new" under the Water Transfers action describing accounting.

Page 10: Gary Stern raised a question regarding the proposed dredging of the lower Mokelumne Rivers absent a Hood diversion.

Action: Steve Ritchie committed to an answer on this next week.

Action: No approval. Lester Snow stated that the first draft of the revised Phase II Report will be out to agencies on May 17th, with comments due back by May 21st. He went on to state that the CALFED staff will work through revision of that draft along with the proposed changes to the preferred alternative description. Patty Beneke stated that she committed to this time frame. No change in print date of June 1st.

Discussion of the "Environmentally Superior Alternative" language (required for CEQA compliance)

Several Policy Group members commented that this piece needed revision.

Action: This document will be revised, along with the Phase II Report and the Preferred Alternative description, over the next two weeks. Tom Hagler committed to working on the re-write.

Discussion of opening Policy Group meetings to the public

Secretary Nichols initiated a discussion making the Policy Group meetings more accessible to the public. Her comments were spurred by the discussion held the prior afternoon at the joint Policy Group-BDAC session. Patty Beneke concurred. Secretary Nichols also stated: that she didn't want anything to jeopardize frank discussion among Policy Group members. Tom Hannigan stated that "if this group makes a decision, the public has to be included. If we are only having discussions, then that's something else."

Action: Patty Beneke proposed that the state and federal co-chairs confer with Lester Snow on this issue.

Water Management Strategy

Objective:

Approval of water supply reliability objectives

Approval of approach on the Integrated Storage Investigation

Approval of approach on the Environmental Water Account

Approve package of South Delta actions

Water Supply Reliability Objectives

Mary Nichols commented that these objectives must have numbers associated with them, as well as designation of who is going to pay.

Outcome: No formal action taken, but no objections raised.

Integrated Storage Investigation

Mike Spear pointed out that USFWS had submitted a letter proposing paring down the reservoir site study list further, from fifteen to about eight to ten.

Mark Cowin stated that the economic and environmental screens on the sites had not yet been completed.

Action: Within the next week CALFED staff would reach agreement whether or not to pare the list further. No formal action taken, but no objections raised.

Environmental Water Account

Ron Ott provided a briefing on work to date on the EWA, describing the essential elements of the account necessary to make it function. Two most significant elements:

1. Adequate assets, estimated at \$40-50 million at the beginning of Stage I and \$20-30 million at the end of Stage I
2. The ability to purchase and transfers water at reasonable cost and at necessary times:

Up to 100 TAF of Sacramento River water

Up to 150 TAF of San Joaquin River water

Up to 250 TAF in the export areas

Mike Spear noted that this is water on top of AFRP actions.

Direction from the May 12 Quinn-Spear meeting was to go another month, report to the Policy Group on the negotiating parameters and start gaming 1999-2000.

Outcome: No formal approval, but no objections raised.

South Delta Improvements

Lester Snow presented the CALFED proposal for a South Delta solution, which includes multiple permanent operable barriers, and was based on the last several months of deliberations of the joint federal-state/operations-biological technical team. The overall proposal includes a pilot fish screen at Tracy and water quality actions, which were not discussed on May 13th.

Mike Spear proposed a middle ground alternative: a three-barrier approach with no Grant Line Canal barrier.

Action: Lester Snow proposed an amended multi-barrier approach: install three permanent barriers, do everything to make this alternative work without the Grant Line Canal barrier, with dredging, extending and screening diversions. NO time frame was set for a decision on a Grant Line Canal barrier. He stated that CALFED staff will write up this proposal, distribute to the three fisheries agencies, USBR, DWR and the COE, through the State and Federal coordinators, Patrick Wright and Alf Brandt.

Conservation Strategy

Objective: Approve draft Conservation Strategy

Ron Rempel briefed the Policy Group on the Strategy.

Outcome: No formal approval, but no significant objections raised.

Battle Creek Project

Kirk Rodgers requested Policy Group approval for a "minor extension" of the time period for securing signatures on the MOU to go forward on the Battle Creek restoration project.

Action: Patty Beneke stated that having heard no objections, extension granted.

Water Acquisitions Plan

Objective: Approve USBR 1999 water acquisitions plan

Kirk Rodgers stated that the USFWS, NMFS and DFG are in the process of drafting a letter to the Ecosystem Roundtable in support of acquiring water this year for fisheries. Kirk noted that such acquisitions would require State Board approval. He stated that the Environmental Assessment would be released on May 14th.

Outcome: No objections raised. Issue of expenditure of Bay Delta Security Act funds still pending.

CMARP

Objective: Accept the CMARP report for inclusion in the EIS/R

Leo Winternitz briefed the Policy Group on the CMARP process and its role in CALFED. Discussion ensued on the completeness of the report, on the need for a CMARP plan. The Policy Group also stated that they wanted to make sure that the CMARP group would not set priorities without Policy Group direction. Leo assured the Group that this would be the case.

Outcome: No formal approval, but no objections raised.

404 Compliance

Objective: Briefing

Rick Soehren stated that the 404 working group was seeking feedback from the Policy Group on the general structure of the draft MOA. Tom Hagler pointed out that this MOA will be a legally binding document. As such, EPA and the COE will play the primary role in drafting the MOA, with input from the other signatory agencies. The Policy Group appeared to understand and accept that approach.

Governance

Objective: Briefing on status of the Governance Plan.

Kate Hansel provided a detailed overview of the proposed interim and long-term proposals for CALFED governance. She committed to having the complete draft to them by May 17th.

Policy Group members discussed the proposals and discussed the role of public input in depth, referring to their deliberations with BDAC on May 12th.

David Cottingham proposed that a small group of state and federal representatives assist Kate with the overall governance plan, convening after the Mantell panel meets in mid-June.

There is general consensus on the need to focus on an implementation structure for the first 7-10 years of the Program, with a proposed legislative package delivered to the legislature by the ROD.

Kate committed to a proposal for long-term governance by the end of 1999. She also stated that she would be requesting Policy Group deliberations on the six proposed entities for the Ecosystem Program at their July and August meetings.

Tom Hagler suggested getting stakeholders and state and federal representatives together. Lester raised the question of who would be the appropriate stakeholders.

Action: David Cottingham committed to convening federal and state representatives to assist Kate on conclusion of the Mantell panel.

Kate requested federal and state comments on the draft plan by May 24th.

Finance

Objective: Briefing on draft Finance Plan

Kate Hansel, assisted by Rich Wahl, presented highlights of the draft plan, which was made available at the meeting.

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Mike Spear commented that they needed to make sure to revise the estimated costs (page 64) to reflect the estimated costs of the Environmental Water Account. He went on to state the importance of all agencies making provisions for these costs in their FY 2000-2001 budgets.

Outcome: Kate requested comments on the plan to Rich and her by May 24th.